

# State Funds Off the State Highway System

September 17, 2015

# Statutory Requirements

## **339.08 Use of moneys in State Transportation Trust Fund.—**

- (1) The department shall expend moneys in the State Transportation Trust Fund accruing to the department, in accordance with its annual budget. The use of such moneys shall be restricted to the following purposes:
  - (a) To pay administrative expenses of the department, including administrative expenses incurred by the several state transportation districts, but excluding administrative expenses of commuter rail authorities that do not operate rail service.
  - (b) To pay the cost of construction of the State Highway System.
  - (c) To pay the cost of maintaining the State Highway System.
  - (d) To pay the cost of public transportation projects in accordance with chapter 341 and ss. [332.003-332.007](#).
  - (e) To reimburse counties or municipalities for expenditures made on projects in the State Highway System as authorized by s. [339.12](#)(4) upon legislative approval.
  - (f) To pay the cost of economic development transportation projects in accordance with s. [339.2821](#).
  - (g) To lend or pay a portion of the operating, maintenance, and capital costs of a revenue-producing transportation project that is located on the State Highway System or that is demonstrated to relieve traffic congestion on the State Highway System.
  - (h) To match any federal-aid funds allocated for any other transportation purpose, including funds allocated to projects not located in the State Highway System.
  - (i) To pay the cost of county road projects selected in accordance with the Small County Road Assistance Program created in s. [339.2816](#).
  - (j) To pay the cost of county or municipal road projects selected in accordance with the County Incentive Grant Program created in s. [339.2817](#), the Small County Outreach Program created in s. [339.2818](#), and the Enhanced Bridge Program for Sustainable Transportation created in s. [339.285](#).
  - (k) To provide loans and credit enhancements for use in constructing and improving highway transportation facilities selected in accordance with the state-funded infrastructure bank created in s. [339.55](#).
  - (l) To pay the cost of projects on the Florida Strategic Intermodal System created in s. [339.61](#).
  - (m) To pay the cost of transportation projects selected in accordance with the Transportation Regional Incentive Program created in s. [339.2819](#).
  - (n) To pay other lawful expenditures of the department.

# Statutory Requirements

339.135 Work program; legislative budget request; definitions; preparation, adoption, execution, and amendment.—

3) NATURE AND SCOPE OF THE TENTATIVE AND ADOPTED WORK PROGRAMS.—

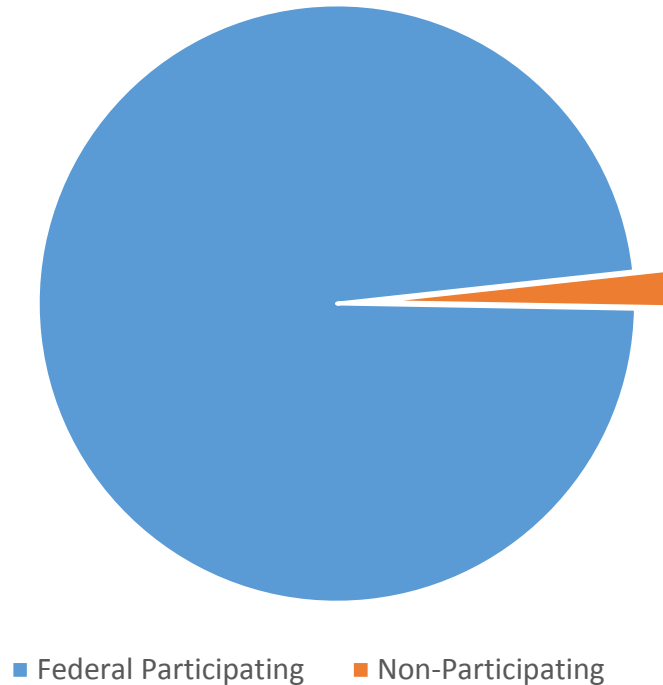
(c) No anticipated funds estimated to be received from various federal-aid acts of Congress shall be budgeted in excess of the amount which may be earned by the amount of state funds set aside to match such federal aid; and the state funds thus set aside to match federal-aid funds shall be used only for such matching purposes. The department shall, prior to the preparation of the tentative work program, ascertain the amount of apportionments of federal-aid funds which are estimated to be available to the department for expenditure in the fiscal years for which the tentative work program is prepared; and the department shall budget sufficient funds for matching purposes.

# History of Program Management

- Hard Matching Federal Funding
  - 81.93 percent participating costs eligible for reimbursement
  - 18.07 percent state and local match
    - 9.035 percent state; 9.035 percent local
  - Non-participating (non-reimbursable) costs responsibility of local entity
- Soft Matching Federal Funding (use of toll credits for non-federal share)
  - 100 percent participating costs are eligible for reimbursement
  - Non-participating costs responsibility of local entity
- New Local Agency Program (LAP)
  - Program Management Bulletin 16-02
  - Contract identifies project cost responsibilities
  - Local entity responsible for non-participating costs

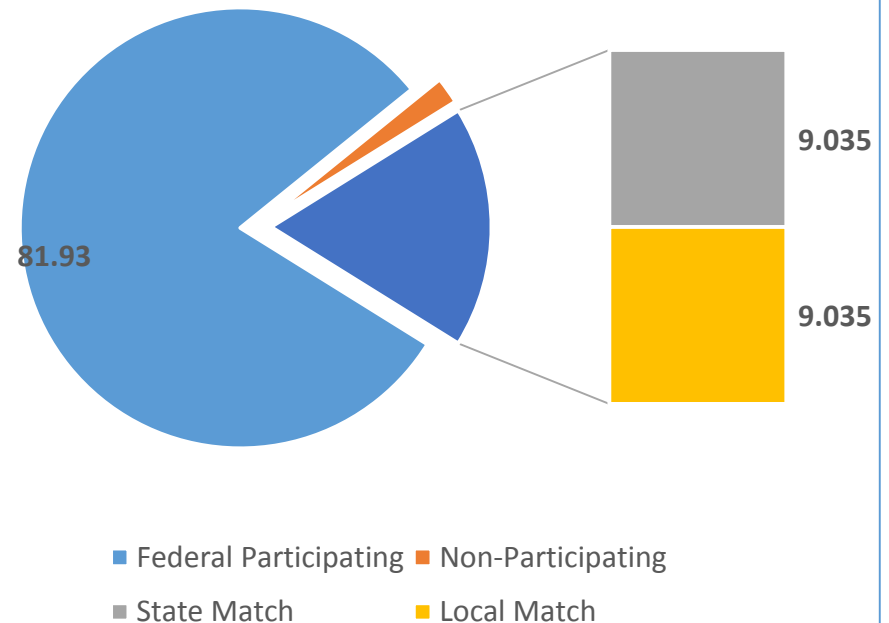
## Example of Fund Split

Federal Aid Project  
Soft Match Scenario



State in-house management costs  
State managed authorization and reimbursement  
Toll credits earned based on state fund investments

Federal Aid Project  
Hard Match Scenario



State in-house management costs  
State managed authorization and reimbursement

## Tools - Constraints and Flexibility

- Constraints
  - Non-participating (non-reimbursable) costs responsibility of local entity
- Flexibility – State Funded Programs for Off System Projects
  - Small County Outreach Program, Small Municipalities (SCOP) – 75/25
  - Transportation Regional Incentive Program (TRIP) – 50/50
  - Small County Resurfacing Assistance Program (SCRAP) – 0 match
  - County Incentive Grant Program (CIGP) – 50/50
  - Economic Development Road Fund – no match
  - Sun Trail Program
- Last Resort Payments
  - Penalties, interest

# Options

- Contracts
  - Use program management model
  - Mowing and litter removal remain local responsibility
- Contingency
  - Program contingency with state funds
  - Participating costs charged to FHWA
  - Non-participating costs charge to local entity
- Last Resort Payments
  - Evaluate on case-by-case basis